GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:57
ANSWERED ON:03.12.2004
REVISION OF BANKING LAWS
Pingle Shri Devidas Anandrao;Shiwankar Shri Maha Deo Rao

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is contemplating to revise banking laws;

(b) if so, the details thereof;

(c) whether the Government has finalised a scheme to invest money in infrastructure for agriculture or small scale industries instead of investing inGovemment bonds; and

(d) if so, the details thereof along with sectors in which money is invested?

Answer

MINISTER OF FINANCE (SHRI P. CHIDAMBARAM)

(a), (b), (c) & (d):- A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF THE LOK SABHA STARRED QUESTION NO. 57 FOR 3.12.2004

(a) Yes, Sir.

(b) So far, Government has decided to revise or enact the following Laws relating to Banking sector:

(i) The Banking Regulation Act, 1949 is being ameinded to validate the banking Ilicences issued by RBI to cooperative societies registered under the Multi State Cooperative Societies Act and to enable the deposits of small depositors of these Banks to be insured by Deposit Insurance and Credit Guarantee Corporation.

(ii) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 is being amended in pursuance of Hon`ble Supreme Court`s order to provide defaulting borrowers a fair opportunity to represent their caes and at the same time to dissuade the borrowers from indulging in dilatory tactics so as to postpone repayment of dues.

(iii) A new legislation on Payment and Settlement Systems is proposed to provide for a legal basis to recognize chearing houses, legal sanction to netting of payments with receipts, finality of settlement, recognition of service providers and participants, clearing mode of payments and to provide explicit powers to RBI to supervise! securities clealring and settlement.

(iv) A Credit Information Companies (Regulation) Law is proposed to provide necessary legislative support to the business of credit information and for regulation of credit information companies.

(c) No, Sir.

(d) Does not arise.